

SUMMARY OF THIS PROSPECTUS

Section A – Introduction containing warnings

This Prospectus relates to the offer of fixed-interest, unsubordinated, unsecured notes to the public issued in Euro with the international securities identification number (“**ISIN**”) DE000A3H2V19 (“**Notes**”) in the Federal Republic of Germany (“**Germany**”) and in the Grand Duchy of Luxembourg (“**Luxembourg**”).

Issuer and offeror of the Notes is Homann Holzwerkstoffe GmbH, Munich, Germany, Legal Entity Identifier (“**LEI**”) 391200QLFN1BBF0FI07, with its registered office in Munich, business address at: Adalbert-Stifter-Straße 39a, 81925 Munich, Germany (Tel.: +49 (0) 89 /99 88 69 0; E-Mail: info@homanit.org) (the “**Issuer**”, the “**Company**” and together with its consolidated subsidiaries at the respective time, “**Homann Holzwerkstoffe-Group**” and the “**Group**”, respectively).

This Prospectus has been approved on 09 February 2021 by the competent authority for the approval of this Prospectus, the *Commission de Surveillance du Secteur Financier* (“**CSSF**”) 283, route d'Arlon, L-1150 Luxembourg, (telephone: +352 26 25 1 - 1 (switchboard), facsimile: +352 26 25 1 - 2601, E-Mail: direction@cssf.lu) in Luxembourg.

This summary (the “**Summary**”) has been prepared in accordance with Article 7 of the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (the “**Prospectus Regulation**”) and should be understood as an introduction to the Prospectus. The investor should base any decision to invest in the Notes on an examination of the Prospectus in its entirety. Investors could lose all or part of their invested capital. In the event that a claim is brought before court on the basis of the information contained in this Prospectus, the investor acting as plaintiff could, in application of national law, have to bear the costs of translating the Prospectus before proceedings commence. Only those persons who have sub- and transmitted the Summary (including any translations thereof) shall be liable under civil law, and only if the Summary, when read in conjunction with the other parts of this Prospectus, is misleading, inaccurate or inconsistent or does not contain the material information, when read in conjunction with the other parts of this Prospectus, which is essential to assist investors in making an informed decision about investments in the Notes.

Section B – Key information on the issuer

B.1 Who is the issuer of the securities?

B.1.1 Domicile, legal form, LEI, legislation, country of incorporation

The Issuer has its registered office in Munich, Germany. The Issuer is a company incorporated under the laws of the Federal Republic of Germany in the legal form of a limited liability company (*Gesellschaft mit beschränkter Haftung - GmbH*) and is registered in the commercial register of the local court (*Amtsgericht*) of Munich under registration number HRB 240650. The Issuer's LEI number is 391200QLFN1BBF0FI07.

The legal name of the Issuer is “Homann Holzwerkstoffe GmbH”. The Issuer also operates in the market under the trade name “Homann Holzwerkstoffe GmbH” or “Homann Holzwerkstoffe-Group”.

B.1.2 The issuer's principal activities

Homann Holzwerkstoffe GmbH is the parent company of the Homann Holzwerkstoffe-Group, - according to the Issuer's own assessment - one of the largest producers of highly refined wood fibre boards for the furniture, door and coating industries in Europe. The group of companies, which has been managed by the Homann family in the 4th generation since 1876, has developed from a food production company to a market-leading company for the production of thin, highly refined, medium-density wood fibre boards (Medium Density Fibreboard - MDF) and high-density wood fibre boards (High Density Fibreboard - HDF) for the furniture, door and coating industries in Western and Eastern Europe. The Europe-wide sales coordination of all products of the Homann Holzwerkstoffe-Group is carried out in Herzberg, Lower Saxony. The production and supply of its customers in Western and Eastern Europe is handled by its German site in Losheim am See and the two Polish sites in Krosno (Oder) and Karlino. The Homann Holzwerkstoffe-Group's customers include many of the world's best-known furniture manufacturers as well as numerous large and medium-sized companies from the door industry and the wood and building materials trade in Germany and abroad.

The Homann Holzwerkstoffe-Group consists of the following main operating companies: Homanit Krosno Odrzanskie sp.z o.o., based in Krosno (Oder), (“**Homanit Krosno**”), through which the operating business is conducted at the production site in Krosno (Oder), Homanit GmbH & Co. KG with its registered office in Losheim am See (Germany) and its subsidiary Homanit Polska sp.z.o.o i.sp. sp. k. with its registered office in Karlino (Poland) (“**Homanit Polska**”). The Homann Holzwerkstoffe-Group generated consolidated sales revenue of EUR 191.0 million in the nine-months period ended 30 September 2020 (Fiscal year ended December 31, 2019: EUR 273.8 million; fiscal year ended December 31, 2018: EUR 269.3 million)). In 2019, EUR 62.5 million of this amount was generated in Germany, EUR 189.0 million in rest of Europe (excluding Germany) and EUR 22.3 million in other countries outside Europe.

B.1.3 Identity of the issuer's key managing directors

The Issuer currently has three managing directors (*Geschäftsführer*), namely Mr. Fritz Homann, Mr. Ernst Keider and Mr. Helmut Scheel.

B.1.4 The issuer's major shareholders, including whether it is directly or indirectly owned or controlled and by whom

The shareholders of Homann Holzwerkstoffe GmbH are (i) Fritz Homann GmbH, registered in the commercial register of the local court (*Amtsgericht*) of Munich under HRB 240718 (“**Fritz Homann GmbH**”) (holding an interest in the Issuer’s share capital of 80%), and (ii) VVS GmbH, registered in the commercial register of the local court (*Amtsgericht*) of Munich under HRB 242310 (“**VVS**”) (holding an interest in the Issuer’s share capital of 20%). Mr. Fritz Homann is the sole shareholder of the majority shareholder of the Issuer, the Fritz Homann GmbH, as well as major shareholder of VVS and therefor controls the Issuer as defined in Section 290 of the German Commercial Code (HGB).

B.1.5 Identity of the issuer’s statutory auditor

The Issuer’s auditors are Warth & Klein Grant Thornton AG Wirtschaftsprüfungsgesellschaft, registered in the commercial register of the local court (*Amtsgericht*) of Duesseldorf under HRB 62734 with its registered office in Duesseldorf and its business address at: Johannstr. 39, 40476 Duesseldorf (“**Warth & Klein Grant Thornton**”). Warth & Klein Grant Thornton is a member of the German Chamber of Auditors (*Mitglied der deutschen Wirtschaftsprüferkammer*).

B.2 What is the key financial information regarding the issuer?

The following tables contain selected key consolidated financial information in accordance with German commercial law, for the fiscal years ended December 31, 2019 and December 31, 2018 as well as for the nine-month period ended September 30, 2020. The consolidated interim financial statements for the nine-month period ended September 30, 2020 is unaudited. Warth & Klein Grant Thornton has audited the consolidated financial statements of the Issuer as at 31 December 2019 and 31 December 2018 prepared in accordance with the German Commercial Code (HGB) and issued unqualified audit opinions thereon each, which are reproduced in this Prospectus.

B.2.1 Selected information on the Profit and Loss account of the Issuer

<u>Consolidated Profit and Loss account (HGB)</u> (in TEUR)	Nine-months period as at 30 September		Financial year ended 31 December	
	2020	2019	2019	2018
	<i>(unaudited)</i>		<i>(audited)</i>	
Revenue	191,000	207,261	273,772	269,268
Operating profit.....	19,602	21,501	31,315	18,366
Net profit	14,021	16,032	22,016	7,899

B.2.2 Selected Balance sheet data of the Issuer

<u>Consolidated Balance sheet data (HGB)</u> (in TEUR)	30 September		31 December	
	2020	2019	2019	2018
	<i>(unaudited)</i>		<i>(audited)</i>	
Total Equity	54,300	52,501	45,056	38,438
Total Net Debt ⁽¹⁾	113,707	139,541	130,534	157,327

⁽¹⁾ Total net debt is defined as net financial liabilities, i.e. bonds plus bank loans plus other interest-bearing liabilities minus cash on hand and bank balances as well as marketable securities held for sale.

B.2.3 Selected information on cash flow of the Issuer

<i>Consolidated cash flow data (HGB)</i> <i>(in TEUR)</i>	Nine-months period as at 30 September		Financial year ended 31 December	
	2020	2019	2019	2018
	<i>(unaudited)</i>		<i>(audited)</i>	
Cash flow from operating activities	32,256	33,071	40,855	26,977
Cash flow from investing activities	-13,621	-12,981	-12,323	-13,770
Cash flow from financing activities	54,421	-9,395	-16,411	-14,172

B.3 What are the key risks that are specific to the Issuer?

The most significant risk factors specific to the Issuer are listed below. The risk factors in this Summary are based on assumptions, which may prove to be incorrect.

B.3.1 Risks related to the market and competitive environment and the markets relevant to the Homann Holzwerkstoffe-Group

- Homann Holzwerkstoffe-Group is dependent on the general economic situation and the economic development in its sales markets in particular in Western and Eastern Europe.
- Homann Holzwerkstoffe-Group operates in a market environment characterized by intense competition, and the intensity of competition could increase further.
- Homann Holzwerkstoffe-Group is dependent on the availability of raw materials, especially glue and wood, and sufficient energy at economically acceptable prices.

B.3.2 Risks associated with the business activities of the Homann Holzwerkstoffe-Group

- Homann Holzwerkstoffe-Group is exposed to the risk of default of payment and the insolvency of customers.
- Homann Holzwerkstoffe-Group is to a certain extent dependent on one major customer.
- There are risks in connection with the financing structure and refinancing of the Homann Holzwerkstoffe-Group particularly in the event of premature termination of financing agreements, which could lead to immediate maturity of the Notes and other financing.
- Homann Holzwerkstoffe-Group is exposed to risks due to currency fluctuations and exchange rate fluctuations.
- The production process of the Homann Holzwerkstoffe-Group is exposed to technical and accident risks, which could result in business interruptions.
- The products of the Homann Holzwerkstoffe-Group could be defective and not meet the quality requirements of customers or legal requirements and technical standards.
- Homann Holzwerkstoffe-Group is dependent on suppliers. The short-term loss of key suppliers or delays in deliveries could lead to interruptions in production and delivery bottlenecks.
- The business activities of the Homann Holzwerkstoffe-Group could be influenced by the business relationships of the Homann Holzwerkstoffe-Group with various logistics companies.

B.3.3 Risks in connection with the Group structure of Homann Holzwerkstoffe-Group

- There are risks arising from the group structure and the Issuer's position as a management holding company, since the Issuer's assets currently consist mainly of the shares held in its operating subsidiaries and the Issuer is therefore essentially dependent on distributions from its operating subsidiaries to cover its operating costs and other expenses, in particular for payments in connection with its debt services.

Section C – Key information on the securities

C.1 What are the main features of the securities?

C.1.1 Type, class and ISIN of the securities offered

The securities ISIN DE000A3H2V19, WKN A3H2V1 are fixed-interest bearer notes (in accordance with § 793 et seqq. German Civil Code – BGB).

C.1.2 Currency, denomination, par value, the number of securities issued and the term of the securities

The Notes will be issued in Euro/EUR. The Issuer shall issue up to 60,000 bearer notes with a nominal value of EUR 1,000.00 each with a total nominal value of up to EUR 60,000,000.00. The Notes shall have a term until 12 September 2026 (the “Notes” or the “2021/2026 Notes”).

C.1.3 Rights attached to the securities

Noteholders of the 2021/2026 Notes are entitled to annual interest payments. Interest is payable in arrears from the issue date on 12 March 2021 (the “**Issue Date**”) (inclusive) until the first interest payment date on 12 September 2021 (exclusive) and thereafter from the interest payment date of each year (inclusive) until the following interest payment date (exclusive).

In the event of a change of control of the Issuer, the holders of the Notes (the “**Noteholders**”) have the right to require the Issuer to make an offer to redeem the Notes at a purchase price equal to 100% of their principal amount, plus accrued and unpaid interest and potential additional amount, if any, until, but excluding, the Redemption Date. The Terms and Conditions of the Notes also provide for a series of events of default entitling each holder of the Notes, if any such event of default continues, to declare all of its rights under the Notes due and payable by giving notice to the Issuer of its intention to redeem the Notes and (subject to certain exceptions) to demand immediate redemption at the principal amount of the Notes together with accrued and unpaid interest, until (but excluding) the date of actual redemption. In particular, a default event occurs if the Issuer defaults on payment.

C.1.4 Ranking

The obligations under the 2021/2026 Notes constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer ranking *pari passu* among themselves and at least *pari passu* with all other direct, unconditional, unsubordinated and unsecured obligations of the Issuer, present and future save of certain mandatory exceptions provided by law.

C.1.5 Restrictions on free transferability

The Notes may be sold, inherited or otherwise transferred at any time without the consent of the Issuer and without notification to the Issuer.

C.1.6 Limitations

If the tax laws applicable to the Issuer change in such a way that the Issuer is obliged to pay additional taxes or fees and this obligation cannot be avoided by taking reasonable measures, the Notes may be redeemed, in whole but not in part, at the Issuer's option at any time at their Principal Amount together with the interest accrued up to the date fixed for the redemption.

C.1.7 Interest rate

The 2021/2026 Notes will bear interest from 12 March 2021 (inclusive) until 12 September 2026 (exclusive) at a rate 4.500 % to 5.000 % per annum. The interest rate is expected to be determined on or about 4 March 2021, as described under Clause "8. Angebot der Schuldverschreibungen". The interest shall be paid in arrears on 12 September of each year, *i.e.* on 12 September 2021, 12 September 2022, 12 September 2023, 12 September 2024, 12 September 2025 and for the last time on 12 September 2026. If the due date for the interest is not a business day, the interest shall be payable on the next business day.

C.1.8 Redemption procedure

The Issuer will redeem the 2021/2026 Notes on 12 March 2026 (“**Maturity Date**”) at 100% of their principal amount, unless they have already been redeemed in whole or in part before that date.

C.2 Where will the securities be traded?

The inclusion of the Notes to trading on the unregulated market (*Open Market – Quotation Board*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*), which does not qualify as a regulated market for purposes of the Markets in Financial Instruments Directive II (Directive 2014/65/EU, “**MiFID II**”), is expected to take place on 12 March 2021. The Issuer reserves the right, if necessary, to permit trading by publication in the Notes prior to 12 March 2021.

C.3 What are the key risks that are specific to the securities?

- In the event of the Issuer's insolvency, the lack of collateral, guarantees from subsidiaries or deposit insurance could result in a total loss to the Noteholders.
- A Noteholder of the Fixed Rate Notes is particularly exposed to the risk that the price of these Notes may decline due to changes in market interest rates.
- A Noteholder is exposed to the risk of being outvoted by other Noteholders and losing rights against the Issuer against its will if the Noteholders agree to changes in the terms and conditions of the bonds by majority vote in accordance with the German Bond Act of 2009 (*Schuldverschreibungsgesetz, SchVG*).

Section D – Key information on the offer of securities to the public

D.1 Under which condition and timetable can I invest in this security?

The Issuer offers up to EUR 60,000,000.00 (the “**Total Denomination**”) 4.500 % to 5.000 % of Notes due on 12 September 2026 (“**Notes 2021/2026**”) in a denomination of EUR 1,000.00 (the “**Nominal Amount**”) in Germany and Luxembourg (the “**Offering**”). The Offer consists of the following:

- (i) a public exchange offer by the Issuer in Germany and Luxembourg, to be made exclusively by the Issuer, to the holders of the Notes issued in 2017 and maturing in 2022, for a total nominal amount of EUR 60 million (“**Notes 2017/2022**”), to exchange them for the Notes offered on the basis of this Prospectus at an exchange ratio of 1:1 (one to one) (“**Exchange Offer**”), including a multiple purchase option, under which participants in the Exchange Offer may subscribe for additional Notes (“**Multiple Purchase Option**”) and an offer to the employees of Homann Holzwerkstoffe-Group to subscribe Notes 2021/2027 by a subscription form provided by the Issuer („**Employee Option**“).

Holders of Notes 2017/2022, who want to offer their Notes 2017/2022 for exchange will receive, upon execution of the Exchange Offer, one Note 2021/2026 with a nominal value of EUR 1,000.00 for each Note 2017/2022 with a nominal value of EUR 1,000.00 and an additional cash payment of EUR 25.00 (the “**Additional Amount**”) and accrued interest (as defined below). “**Accrued Interest**” means the interest accrued pro rata from the last interest payment date (inclusive) of the Notes 2017/2022 until the Issue Date of the new notes (exclusive).

- (ii) a public offer of the Issuer in Germany and Luxembourg, which is made exclusively via the subscription functionality Direct Place of the Frankfurt Stock Exchange (*Zeichnungsfunktionalität der Frankfurter Wertpapierbörse*) in the XETRA trading system or the trading system replacing this trading system for the collection and processing of subscription orders (the “**Subscription Functionality**”) (the “**Subscription Offer**”), and which is carried out only by the Issuer (Exchange Offer including Multiple Purchase Option, Employee Option and Subscription Offer together the “**Public Offer**”). IKB Deutsche Industriebank AG, Wilhelm-Boetckes-Str. 1, 40474 Duesseldorf, Germany (“**IKB**” or the “**Sole Lead Manager**”) will not participate in the Public Offer.

There will be no public offer outside Germany and Luxembourg. In Luxembourg, the Exchange Offer (including the Multiple Purchase Option and Employee Option) and the Subscription Offer will be communicated by placing an advertisement in the *Tageblatt*.

In addition, a private placement of the Notes 2021/2026 to qualified investors in Member States of the European Economic Area and other than the United States of America (the “**United States**”), Canada, Australia and Japan will be made in accordance with the applicable exemptions for private placements, in particular pursuant to Article 1 (4) of the Prospectus Regulation or any exemptions equivalent to this regulation, which will be conducted by the Sole Lead Manager (the “**Private Placement**”). In the course of the Private Placement, the Issuer may, if there is a corresponding demand, allocate in addition to the bonds initially offered with a total nominal amount of EUR 60 million further bonds with a nominal amount of up to EUR 20 million and increase the issue volume of the Notes 2021/2026 accordingly to an issue volume of up to EUR 80 million. The private placement is not part of the public offering.

D.1.1 Anticipated timetable of the public offer

The Notes will be offered as follows:

9 February 2021
Immediately upon approval

Approval of the prospectus by the CSSF
Publication of the approved prospectus on the website of the Issuer (<https://www.homann-holzwerkstoffe.de/investor-relations/>) and on the website of the Luxembourg Stock

	Exchange (www.bourse.lu) as well as publication of the Exchange Offer and the Multiple Purchase Option and the Employee Option on the website of the Issuer (https://www.homann-holzwerkstoffe.de/investor-relations) and in the Federal Gazette (<i>Bundesanzeiger</i>)
10 February 2021	Start of the Exchange Offer (including the Multiple Purchase Option and Employee Option)
25 February 2021	End of the Exchange Offer (including the Multiple Purchase Option and Employee Option 6:00 pm CET)
1 March 2021	Commencement of Subscription Period
4 March 2021	End of Subscription Period (subject to an extension or reduction of the offer period) (2:00 pm CET); determination and publication of the interest rate and the total nominal amount; publication of the announcement of the determination of the interest rate and volume
12 March 2021	Issue Date and delivery of Notes
12 March 2021	Inclusion of the Notes to trading in the Open Market (<i>Freiverkehr</i>) on the Frankfurt Stock Exchange

The Issuer has the right to reduce offers or reject individual subscriptions under the Exchange Offer and under the Subscription Offer at its sole discretion and after consultation with the Sole Lead Manager. In the event of a reduction or rejection of subscriptions, investors will be repaid the relevant subscription amount. Investors will be informed through their respective custodian bank of the extent to which their subscriptions have been accepted. The Issuer reserves the right to extend or reduce the offer period for the Exchange Offer, the Subscription Offer and/or the Private Placement. The Issuer may, at its sole discretion and without stating reasons, extend or reduce the offer period, terminate the exchange prematurely or withdraw the Exchange Offer, the Public Offer and/or the Private Placement. Any shortening or extension of the Offer Period will be published on the website of the Issuer (<https://www.homann-holzwerkstoffe.de/investor-relations>). Furthermore, the Issuer will, if necessary, obtain the approval of the CSSF for any supplements to this Prospectus and publish them in the same manner as this Prospectus.

D.1.2 Plans for Distribution

In the allocation of the Notes, subscription offers received in connection with the Exchange Offer will be allocated as long as they are received by no later than 25 February 2021, 6:00 pm CET by Bankhaus Gebr. Martin AG, who performs the function as an exchange agent. Subscription offers received via the subscription functionality, the Multiple Purchase Offer and the Private Placement under the Subscription Offer will be allocated thereafter.

D.1.3 Estimate of the total expenses of the issue and the offer, including estimated expenses charged to the investor by the issuer or the offeror

The total expenses of the issue (including non-performance related costs, in particular legal fees and auditor's fees, as well as costs dependent on the principal amount and interest rate of the finally issued Notes 2021/2026, in particular in the form of the Sole Lead Manager's commission) in case of a full placement of the public offer in the amount of EUR 60 Mio. amount to approximately EUR 1.5 million (the “**Total Issue Costs**”) and can depending on the factual issue size also be lower. The Issuer will not charge to the investor any expenses arising in connection with the issue of the Notes. The depositary institutions will usually charge to the Noteholders fees for executing the subscription orders. Potential Noteholders should obtain information as to the amount of the respective fees from their depositary institution in advance.

D.2 Why is this Prospectus being produced?

D.2.1 Reasons for the offer

The reason for the Offer is to generate proceeds from the issuance of the Notes, which is the subject matter of this Prospectus or the refinancing of the existing Note 2017/2022, respectively.

D.2.2 Purpose of proceeds and estimated net proceeds

Assuming a complete placement of the Notes in the course of the Public Offer in the maximum volume, the gross proceeds (before deduction of Total Issue Costs) will amount to EUR 60 million. Taking into account the Total Issue Costs, the placement of the maximum volume would result in net proceeds of EUR 58.5 million (the “**Net Proceeds**”). The Issuer intends to use the Net Proceeds from the Public Offer to refinance the outstanding 2017/2022 Notes.

However, the actual amount of the Net Proceeds will depend to a large extent on the acceptance rate of the Exchange Offer to the noteholders of the 2017/2022 notes on the one hand and the exercise of the Further Purchase Option and Employee Option, respectively, as well as the placement quotas within the Public Offer via the subscription functionality and the Private Placement on the other hand. Furthermore, it must be taken into account that the Homann Holzwerkstoffe-Group holds Notes 2017/2022 in the amount of EUR 3,750,000.00 on its own account.

If there is sufficient demand, the Issuer will also go beyond the initially offered aggregate amount in the Public Offering with a total nominal amount of EUR 60 million and allocate further Notes with a nominal amount of up to EUR 20 million in a the course of a private placement and, thus, increase the total aggregate principal amount of the Notes accordingly to a total of up to EUR 80 million. However, this private placement is not part of the Public Offer. The Issuer intends to use the additional proceeds from the private placement as a liquidity reserve for further growth (e.g. for the construction of the new site in Litauen) and for general corporate financing.

D.2.3 Underwriting agreement

On 9 February 2021, the Sole Lead Manager and the Issuer entered into an underwriting agreement which, however, does not provide for a firm commitment of the Sole Lead Manager.

D.2.4 Interests material to the issuer/offering including conflicting interests

The Issuer has appointed the Sole Lead Manager to assist with the issue and its technical settlement without any firm commitment. The remuneration for the services of the Sole Lead Manager in connection with the Offer is dependent on various factors, in particular the amount of the gross proceeds of the issue. This may give rise to conflicts of interest insofar as the interest of the Sole Lead Manager in maximising the remuneration may conflict with legal or contractual obligations to fully disclose the risks of the Public Offer and/or the Notes, which is the subject of this Prospectus in order to protect the Issuer and/or potential investors.

In addition, the Sole Lead Manager has granted loans to various subsidiaries of the Issuer. The proceeds from the issue of the Notes 2021/2026 are to be used to refinance the Notes 2017/2022 used for the internal financing of the Issuer, so that the interests of the Sole Lead Manager could also be indirectly affected in this respect.